



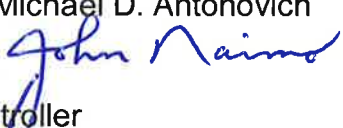
JOHN NAIMO
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-3873
PHONE: (213) 974-8301 FAX: (213) 626-5427

July 15, 2016

TO: Supervisor Hilda L. Solis, Chair
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: John Naimo 
Auditor-Controller

SUBJECT: **DEPARTMENT OF AGRICULTURAL COMMISSIONER/WEIGHTS AND
MEASURES – VOYAGER CARD REVIEW**

As part of our ongoing responsibility to ensure that County resources are safeguarded and that departments comply with County fiscal policies and procedures, we have reviewed the Department of Agricultural Commissioner/Weights and Measures' (ACWM or Department) controls over its fuel credit cards (Voyager cards) issued under the State Voyager Fuel Credit Card Program. ACWM employees use Voyager cards to purchase fuel at retail gasoline stations when a County fueling site is not readily accessible.

Our review included interviewing ACWM personnel, evaluating ACWM's internal controls over Voyager cards, and reviewing Voyager card transactions and monthly reconciliations. The Department incurs approximately \$640,000 annually in Voyager card expenditures, and had 348 active Voyager cards at the time of our review. Our review covered transactions during Fiscal Year (FY) 2013-14.

Summary of Findings

We noted that ACWM maintains an inventory listing of Voyager cards and written requests for new cards. However, we identified opportunities for ACWM management to strengthen their controls over Voyager cards. The following are examples of areas for improvement:

- **Voyager Card Bill Review Process** – ACWM management needs to ensure Voyager card purchases are supported by appropriate documentation, which are subject to approval by supervisors who are familiar with card users' daily work activities. We reviewed 33 purchases and noted that the receipts for 11 (33%) purchases did not include the County vehicle number, and the purchase documentation for four (12%) purchases was missing the card user's name and/or the correct number of gallons purchased. In addition, the card user's supervisor did not sign the Monthly Vehicle Reports to indicate their review/approval for eight (24%) of the 33 purchases. Missing fuel purchase receipts, card user names, gallons purchased, and supervisory reviews undermine the Department's ability to ensure accountability for fuel purchases.

ACWM's attached response indicates that they will provide training to staff on maintaining proper documentation when using Voyager cards. ACWM also reminded managers of the review process and updated the Monthly Vehicle Report to include a space for the supervisor's signature and approval date.

- **Voyager Card Assignments** – ACWM management needs to assign Voyager cards to individual employees, and ensure employees sign card user agreements acknowledging that they have read and will comply with Voyager card policies and procedures before operating a County vehicle. ACWM assigns cards to vehicles, even though the County Fiscal Manual requires cards to be assigned to individuals. In addition, we noted eight (53%) of the 15 employees reviewed did not sign the card user agreements before driving a County vehicle.

ACWM's attached response indicates that they are in the process of canceling all their Voyager cards and distributing new Voyager cards to individual employees, which will be completed by July 1, 2016. ACWM will also require employees to sign a card user agreement before receiving a Voyager card and operating a County vehicle.

- **Inventory Controls/Cancelations** – ACWM management needs to ensure inventory records are updated timely and Voyager cards are immediately canceled when they are no longer needed. We noted that ACWM did not remove six cards from their inventory records until an average of 50 days after the cards were canceled. ACWM also did not immediately cancel 18 (82%) of the 22 Voyager cards when the assigned vehicles were disposed, and continued using five (28%) of the 18 cards on other new or loaner vehicles instead of using spare Voyager cards. We also noted that ACWM does not conduct annual reviews to ensure Voyager cards are still needed.

ACWM's attached response indicates that they have instructed staff to update Voyager card inventory records as changes occur and cancel Voyager cards upon receiving cancelation requests. In addition, ACWM now requires staff to

use spare Voyager cards for new or loaner vehicles, if needed, and will conduct annual reviews of Voyager cards starting in FY 2016-17.

- **Voyager Card Security** – ACWM management needs to ensure Voyager cards are adequately secured, and assign a unique Personal Identification Number (PIN) for each Voyager card. We noted that two field offices stored Voyager cards in an unlocked box or file cabinet. In addition, ACWM has assigned the same PIN for all Voyager cards in each Bureau.

ACWM's attached response indicates that they have purchased lock boxes for Voyager cards and assigned a unique PIN for each Voyager card.

Details of these and other findings and recommendations are included in Attachment I.

Review of Report

We discussed the results of our review with ACWM management. ACWM agreed with our findings and recommendations. The Department's attached response (Attachment II) describes actions they have taken or plan to take to implement the recommendations in our report.

We thank ACWM management and staff for their cooperation and assistance during our review. If you have any questions please call me, or your staff may contact Robert Smythe at (213) 253-0100.

JN:AB:PH:RS:TK

Attachments

c: Sachi A. Hamai, Chief Executive Officer
Kurt E. Floren, Agricultural Commissioner/Director of Weights and Measures
Dave Chittenden, Chief Deputy Director, Internal Services Department
Public Information Office
Audit Committee

**DEPARTMENT OF AGRICULTURAL COMMISSIONER/WEIGHTS AND MEASURES
VOYAGER CARD REVIEW****Background**

The State Voyager Fuel Credit Card Program provides County Departments with alternatives for fueling County vehicles and equipment at retail gasoline (gas) stations, when a County fueling site is not geographically or readily accessible. The County Fiscal Manual (CFM) and County Purchasing Policy P-2850 for State Voyager Fuel Credit Cards (County Voyager Card Policy) requires fuel credit cards (Voyager cards) to be assigned to specific individuals who are authorized by their department head to purchase fuel. However, as noted in various sections of this report, the Department of Agricultural Commissioner/Weights and Measures (ACWM or Department) assigns Voyager cards to vehicles rather than to specific individuals. At the time of our review, the Department had 335 vehicles and 348 active Voyager cards, 15 of which were spare Voyager cards. Of the 335 vehicles, 230 (69%) were assigned to individuals, 14 of whom were authorized to take the vehicle home. The remaining 105 (31%) vehicles were considered pool vehicles that could be checked out by staff for daily business use. Based on our discussions with ACWM management, the number of vehicles appears reasonable compared to the number of staff who have work-related duties requiring a vehicle. The Department incurs approximately \$640,000 annually in Voyager card expenditures.

In a Board-requested report dated September 8, 2015, titled *Voyager Fuel Credit Cards Automated Controls Review*, we noted that departments have access to Fleet Commander Online (FCO), a web-based management and reporting tool that provides a number of automated methods that departments can use to manage and monitor Voyager card activity. For example, departments can require Voyager card users to enter up to two prompts, including a unique Personal Identification Number (PIN), when using Voyager cards. Incorrect responses to the prompts prevent fuel purchases from being made. Departments can also generate reports of cards with multiple purchases on the same day. However, we noted that not all departments used FCO, and some departments are not aware of FCO's full capabilities. As a result, the County Voyager Card Policy and the CFM will be updated to require departments to use FCO. In addition, the Auditor-Controller's (A-C) Disbursements Division has been appointed to provide central oversight and ensure County departments are using FCO to manage and monitor Voyager card use.

ACWM management should implement the recommendations in this report, as well as any new policies and procedures resulting from our September 8, 2015 report.

Scope of Review

We reviewed ACWM's compliance with the CFM, County Voyager Card Policy, and the Department's Voyager card policies and procedures. Our review included interviews with ACWM management and staff, an evaluation of ACWM's policies and procedures,

and a review of controls over card user activity. We also reviewed a sample of Voyager card purchases and evaluated areas where the Department could strengthen their Voyager card monitoring efforts. Our review covered transactions during Fiscal Year 2013-14.

COMMENTS AND RECOMMENDATIONS

Monitoring Voyager Card Purchases

Voyager Card Bill Review Process

CFM Section 4.4.5 states that credit card purchases must be properly supported by original receipts, and that the vehicle number of the County vehicle being fueled must be documented on the receipt. ACWM policy also requires purchasers to include their name, vehicle number, odometer reading, and all fuel purchase details (e.g., date, number of gallons, total cost, etc.) on a Monthly Vehicle Report.

ACWM supervisors are responsible for reviewing/approving the Monthly Vehicle Reports to ensure purchases are appropriate and supported with a receipt, prior to forwarding the purchase documentation (i.e., Monthly Vehicle Reports and supporting receipts) to ACWM's administrative staff. Administrative staff reconcile the purchase documentation to the monthly Voyager billing statement and notify supervisors and/or Budget and Fiscal Services Section (Budget and Fiscal) of any discrepancies. Budget and Fiscal is responsible for handling billing errors with Voyager and approving the bill for payment.

We reviewed 33 Voyager card purchases, totaling \$2,219, from three of ACWM's six Bureaus and noted the following:

- **Vehicle Number Not Written on Receipts** – For 11 (33%) of the 33 purchases, totaling \$457, staff did not document on the receipt the number of the County vehicle that was fueled, as required.
- **Incomplete/Inaccurate Monthly Vehicle Reports** – For four (12%) of the 33 purchases, totaling \$237, the Monthly Vehicle Reports were missing the card user's name and/or the correct number of gallons purchased.
- **Monthly Vehicle Reports Did Not Have Signature Line** – One Bureau's Monthly Vehicle Reports did not include a signature line for the supervisor to sign indicating their review. ACWM should ensure all Bureaus use the Department's standard Monthly Vehicle Report that includes a line for the signature of the card user's supervisor.
- **Monthly Vehicle Reports Not Signed/Approved Timely** – The card user's supervisor did not sign the Monthly Vehicle Reports for eight (24%) of the 33 purchases, totaling \$517. For the Monthly Vehicle Reports that were signed, we

noted seven (28%) of the 25 purchases, totaling \$491, where the supervisors approved the purchases after the Voyager bill was submitted for payment processing.

We also noted that the Department's policy does not require each card user's immediate supervisor to reconcile monthly Voyager bills with the related purchase documentation, or review/approve Voyager bills as required by CFM Section 4.4.5. Instead, ACWM administrative and Budget and Fiscal staff perform these functions. However, we noted that the administrative staff at one of the three Bureaus reviewed did not review the Voyager bills. As a result, there is an increased risk that errors or inappropriate purchases may go undetected. For the Voyager bills that administrative staff did review at the remaining two Bureaus, we noted that staff did not properly document their review to indicate who performed the review and/or when the review was performed. Because administrative staff have limited knowledge of the card users' daily work activities, they are not in a position to assess the appropriateness of the Voyager card purchases. ACWM management should require card users' supervisors to reconcile monthly Voyager bills to the Monthly Vehicle Reports and receipts and approve the Voyager bills, or require administrative staff to properly document their review and only approve bills if card users' supervisors have signed the Monthly Vehicle Reports and the bills agree with the Monthly Vehicle Reports and receipts.

Finally, we noted that ACWM's policy does not require administrative staff to notify Budget and Fiscal whether the Voyager bill is accurate before forwarding the bill for payment approval. ACWM management indicated that if there are any discrepancies with the Voyager bills, adjustments could be made on future bills. However, as noted above, it is not always clear if administrative staff are reconciling Voyager bills to the purchase documentation. To increase accountability over the review and approval of Voyager bills, ACWM management should develop a documented method for administrative staff to notify Budget and Fiscal whether the Voyager bills have been reviewed and should be approved for payment.

Recommendations

Agricultural Commissioner/Weights and Measures management:

- 1. Ensure staff document on the receipt the number of the County vehicle that was fueled.**
- 2. Ensure Monthly Vehicle Reports contain all the required information (i.e., purchaser name and number of gallons purchased).**
- 3. Ensure that all Bureaus use the Department's standard Monthly Vehicle Report that includes a line for the signature of the card user's supervisor.**

4. **Require card users' supervisors to review and approve (i.e., sign and date) Monthly Vehicle Reports to ensure the reports are accurate and complete, and that all purchases are appropriate and supported with receipts before Voyager bills are submitted for payment processing.**
5. **Either require card users' supervisors to reconcile monthly Voyager billing statements to Monthly Vehicle Reports and receipts and approve the Voyager bills, or require administrative staff to properly document their review and only approve the bills if card users' supervisors have signed the associated Monthly Vehicle Reports and the bills agree with the Monthly Vehicle Reports and receipts.**
6. **Develop a documented method for administrative staff to notify Budget and Fiscal Services Section whether the Voyager bills have been reviewed and should be approved for payment.**

Same-Day Transactions

We reviewed 14 sets of instances where a single Voyager card was used to make multiple fuel purchases on the same day. For 11 (79%) of the 14 sets, the same-day purchases appear reasonable based on our review of the Monthly Vehicle Reports and associated receipts. For example, multiple transactions were made on the same day on a single Voyager card because employees were making separate purchases to fuel County vehicles and equipment, or fueling a different vehicle because the assigned Voyager card was reaching its \$1,000 monthly limit. For the remaining three sets, we noted the following issues that ACWM should further examine when reviewing same-day purchases:

- **Missing Monthly Vehicle Report and Receipt** – For one (7%) of the 14 sets, ACWM was unable to provide the Monthly Vehicle Report and receipt for one of the two purchases made on the same day, totaling \$64. As a result, we were unable to determine who made the purchase or which vehicle was fueled.
- **Incorrect/Missing Vehicle Number** – For two (14%) of the 14 sets, a single Voyager card was used to fuel more than one vehicle and ACWM staff wrote an invalid vehicle number or did not indicate the vehicle number on the Monthly Vehicle Reports. Inaccurate or missing vehicle numbers undermine the Department's ability to ensure accountability for fuel purchases.

Recommendation

7. **Agricultural Commissioner/Weights and Measures management ensure all Voyager card purchases are supported by original receipts and Monthly Vehicle Reports, and that Monthly Vehicle Reports identify the vehicle number of the vehicle being fueled.**

Voyager Card Inventory

Voyager Card Assignments

CFM Section 4.4.5 requires departments to assign Voyager cards to individuals and not to a vehicle or to multiple employees. In addition, department management must require cardholders to sign an agreement acknowledging that they have read and will comply with Voyager card policies and procedures when using their assigned Voyager card.

As previously noted, ACWM assigns all of their Voyager cards to vehicles, not to individuals as the CFM requires. As a result, it is often not possible to hold an individual accountable for purchases made with the Voyager cards. In addition, due to documentation issues noted in various sections of this report, it is not always clear who had possession of the Voyager card at a specific time, or who used the card. To improve accountability over Voyager cards, ACWM management needs to work with Voyager to cancel the Department's Voyager cards and re-issue them to individual employees who will be responsible for maintaining security over the cards and ensuring the cards are being used appropriately.

According to ACWM's records, some of the Department's vehicles are assigned to individuals. Voyager cards for vehicles assigned to an individual employee should be assigned to that employee. In addition, Voyager cards that will be used to purchase fuel for pool vehicles should be assigned to the individual responsible for the vehicles in the pool. That individual will be responsible for maintaining adequate security over the Voyager cards and ensuring the cards are being used appropriately. In addition, the individual should ensure Voyager cards for pool vehicles are used only for the assigned vehicle to allow management to better track and monitor card usage.

We also noted that the Department requires employees driving a County vehicle to sign an acknowledgment form certifying that they will comply with Voyager card policies and procedures, as required by the CFM. However, we reviewed 15 employees who drove a County vehicle during the period reviewed and noted that eight (53%) employees signed the acknowledgment forms after driving a County vehicle. To ensure employees are accountable for fuel purchased with a Voyager card, the Department should ensure employees sign the acknowledgment form before operating a County vehicle.

Recommendations

Agricultural Commissioner/Weights and Measures management:

- 8. Work with Voyager to cancel the Department's Voyager cards and re-issue them to individual employees who will be responsible for maintaining security over the cards and ensuring the cards are being used appropriately.**

9. **Assign Voyager cards that will be used to purchase fuel for pool vehicles to the individual responsible for the vehicles in the pool, who will also be responsible for maintaining security over the cards and ensuring the cards are being used appropriately.**
10. **Ensure employees sign a cardholder agreement acknowledging they have read and will comply with Voyager card policies and procedures before operating a County vehicle.**

Inventory Listing

CFM Section 4.4.5 requires departments to maintain a list of staff with credit cards, re-evaluate the need for each credit card at least annually, and cancel unused or unnecessary credit cards.

At the time of our review, ACWM had 348 active Voyager cards, including 15 spare cards. The Department maintains an inventory listing of Voyager cards. However, we noted that ACWM does not annually evaluate if each Voyager card is still needed. We also reviewed the Department's inventory records and noted the following:

- **Voyager Card Not Canceled** – We noted one Voyager card that was canceled per the Department's inventory listing, but the card remained active according to Voyager's records. ACWM indicated that they had requested Voyager to cancel the card, but was unable to provide documentation of the cancellation request that was submitted to Voyager. As a result of our review, ACWM submitted an additional cancellation request and Voyager subsequently canceled the card. Although the card was not used after it should have been canceled, there was a risk that the card could have been used.
- **Canceled Cards Not Removed** – Six (2%) of the 348 Voyager cards were canceled according to Voyager's records. However, ACWM did not remove the canceled cards from their inventory records until an average of 50 days after the cards were canceled. ACWM management should ensure Voyager card inventory records are updated timely.

We also reviewed 22 Voyager cards assigned to vehicles that were disposed of during our review period, and noted that ACWM did not immediately cancel 18 (82%) of the 22 Voyager cards until an average of 52 days after the assigned vehicle was disposed. In addition, we noted that the Department continued to use five (28%) of the 18 Voyager cards, totaling \$1,739, on a new or loaner vehicle instead of using a spare Voyager card. To increase accountability over Voyager card usage, ACWM should immediately cancel Voyager cards when they are no longer needed, and require staff to use spare Voyager cards to purchase fuel for new or loaner vehicles.

Recommendations**Agricultural Commissioner/Weights and Measures management:**

11. Conduct annual reviews to determine if Voyager cards are still needed.
12. Require staff to maintain documentation of Voyager card cancellation requests submitted to Voyager and verify cancellation requests have been processed.
13. Ensure the Department's Voyager card inventory records are updated timely.
14. Ensure Voyager cards are immediately canceled when they are no longer needed.
15. Require staff to use spare Voyager cards to purchase fuel for new or loaner vehicles.

Voyager Card Security

CFM Section 4.4.5 requires credit cardholders to ensure their card is adequately secured by restricting access to it at all times. We visited three ACWM field offices and noted instances at two offices where Voyager cards were stored in an unlocked box or file cabinet that were accessible to anyone in the area/office.

We also noted that Voyager provides the ability to restrict usage of cards by assigning each card a unique PIN. However, ACWM has assigned the same PIN for all Voyager cards in each Bureau. ACWM management should assign a unique PIN for each card to ensure there are adequate security measures to reduce the risk of misuse.

Recommendations**Agricultural Commissioner/Weights and Measures management:**

16. Ensure Voyager cards are adequately secured at all times.
17. Assign a unique Personal Identification Number for each Voyager card.

Voyager Card Sign-Out Logs

To maintain accountability over Voyager cards, Department management needs to have records at all times of staff who have possession of each card. During our review, we visited two field offices that utilized pool vehicles (i.e., vehicles shared by multiple staff) and observed that Voyager cards assigned to pool vehicles were attached to the

vehicle's keys. Therefore, it appears that the individual driving a pool vehicle also took possession of the assigned Voyager card. However, the two field offices did not maintain sign-out logs for the pool vehicles or the Voyager cards assigned to the pool vehicles. As a result, there is no record of who had possession of the cards at a specific point in time. To ensure adequate accountability over Voyager card usage, ACWM management should require staff to use sign-out logs for pool vehicles and the associated Voyager cards, and include a method for recording receipt of a Voyager card.

Recommendation

- 18. Agricultural Commissioner/Weights and Measures management require staff to use sign-out logs for pool vehicles and the associated Voyager cards, and include a method for recording receipt of a Voyager card.**

Spare Voyager Cards

At the time of our review, the Department had 15 spare Voyager cards. We reviewed the Department's controls over spare cards and noted the following:

- **Spare Cards Not Used** – During the one year period reviewed, we noted that eight (53%) of the 15 spare cards had zero usage. As noted above, ACWM needs to annually evaluate the need for each Voyager card and cancel unused or unnecessary cards, where appropriate.
- **Access Not Limited** – We noted that access to the spare cards is not restricted to only individuals who have responsibilities over the cards. Specifically, two of the four individuals who have access to the spare cards do not have any responsibilities over issuing the spare cards.
- **Spare Card Requests/Approvals Not Documented** – We noted that requests and approvals for the use of spare cards are not documented. Although ACWM indicated that spare cards are only used in emergencies or for a short period of time, requests and approvals should be documented to ensure accountability.
- **No Employee Name on Sign-Out Logs** – The sign-out logs require the employee to sign for the spare cards. However, the sign-out log does not require the employee to print their name and/or employee number to clearly identify who picked up the spare card.
- **Spare Cards Not Signed Out by Card User** – We noted instances where the employee signing for the spare Voyager card was not the actual employee using the card. To maintain accountability over spare cards, there should be records at all times of staff who has possession of each spare card. ACWM should require

staff using spare cards to sign for the cards, or develop a method for recording the receipt of spare cards by the actual card user.

Recommendations

Agricultural Commissioner/Weights and Measures management:

- 19. Ensure access to spare Voyager cards is limited to individuals who have responsibilities for issuing the spare cards.**
- 20. Ensure that requests and approvals for the use of spare Voyager cards are documented.**
- 21. Revise sign-out logs to include the employee number and/or printed name of the employee picking up the spare card, and require staff using spare Voyager cards to sign for the cards or develop a method for recording receipt of spare cards by the actual card user.**

Separation of Duties

CFM Section 4.1.3 requires the duties of approving, ordering, and receiving goods to be separated to minimize the risk of fraud and abuse. During our review, we noted that the same individual orders Voyager cards, receives the cards, and distributes the cards to staff. ACWM needs to adequately separate these key functions to reduce the risk of inappropriate/unauthorized purchases going undetected.

Recommendation

- 22. Agricultural Commissioner/Weights and Measures management separate the duties of ordering and receiving Voyager cards.**

Federal Taxes

Fuel Excise Taxes

Federal law provides a fuel excise tax exemption when the sale of taxable fuels (e.g., gasoline and diesel) is for the exclusive use of any state or local government. To receive the fuel excise tax exemption, each County department must file an annual certificate with the County's distributor, Voyager. Voyager applies a credit for the exemption on the department's monthly invoices. If a certificate is not filed, the department must pay the federal fuel excise taxes and file a claim with the Internal Revenue Service (IRS) to obtain a refund.

We noted that ACWM filed the annual certificates with Voyager to receive the fuel excise tax credit for the period we reviewed. However, the Department was not paying the fuel excise tax on the personal portion of fuel purchases made by ACWM

employees who are allowed to drive County vehicles to and from work. ACWM should work with County Counsel to determine the amount of past due fuel excise taxes owed for personal trips and remit these amounts to the IRS.

Payroll Taxes

The IRS requires employers to include the personal use of employer provided vehicles in employees' taxable earnings as a fringe benefit. Personal use includes commuting between home and work. Accordingly, the A-C requires departments to annually report the value of personal use of County vehicles to the A-C's Countywide Payroll Division for inclusion in employees' taxable income. At the time of our review, ACWM assigned 14 employees a take home vehicle. We noted that ACWM did not report the personal use of a County vehicle for one employee to the A-C, as required.

Recommendations

Agricultural Commissioner/Weights and Measures management:

- 23. Work with County Counsel to determine the amount of past due fuel excise taxes owed for employees' personal use of County vehicles, and remit these amounts to the Internal Revenue Service.**
- 24. Ensure that future fuel excise taxes are paid for the portion of fuel used by employees for personal use.**
- 25. Ensure that all personal use of County vehicles is reported to the Auditor-Controller's Countywide Payroll Division, as required.**



Kurt E. Floren
Agricultural Commissioner
Director of Weights and Measures

COUNTY OF LOS ANGELES

**Department of
Agricultural Commissioner/
Weights and Measures**

12300 Lower Azusa Road
Arcadia, California 91006-5872
<http://acwm.lacounty.gov>



Richard K. Iizuka
Chief Deputy

June 23, 2016

TO: John Naimo
Auditor-Controller

FROM: Kurt E. Floren
Agricultural Commissioner
Director of Weights and Measures

SUBJECT: **DEPARTMENT OF AGRICULTURAL COMMISSIONER/WEIGHTS AND MEASURES-VOYAGER CARD REVIEW**

Attached is the Department of Agricultural Commissioner/Weights and Measures (ACWM) response to the recommendations contained in the Auditor-Controller's (A-C) report on the review of ACWM's controls over its fuel credit cards (Voyager cards) issued under the State "Voyager" Fuel Credit Card Program. We concur with the findings and have begun to implement corrective actions to address each of the recommendations.

Please let me know if you have any questions or need additional information. Your staff may also contact Alycia Araya, Administrative Deputy at (626) 575-5454.

KEF:AA:aa

Attachment

**DEPARTMENT OF AGRICULTURAL COMMISSIONER/
WEIGHTS AND MEASURES**

**RESPONSE TO AUDITOR-CONTROLLER'S
VOYAGER CARD REVIEW**

Recommendation 1: Ensure staff document on the receipt the number of the County vehicle that was fueled.

ACWM Response to Recommendation 1: Agree and partially implemented.

The Department of Agricultural Commissioner/Weights & Measures (ACWM) is in the process of issuing new Voyager cards to all staff who is assigned a departmental vehicle. At the time of issuance refresher training is being provided to ensure proper documentation is being prepared while using the Voyager cards.

Recommendation 2: Ensure Monthly Vehicle Reports contain all the required information (i.e., purchaser name and number of gallons purchased).

ACWM Response to Recommendation 2: Agree and implemented.

Since the Auditor-Controller's review, ACWM has developed a new Voyager Card Monthly Report form which includes all required information such as purchaser name and number of gallons purchased.

Recommendation 3: Ensure that all Bureaus use the Department's standard Monthly Vehicle Report that includes a line for the card user's supervisor's signature.

ACWM Response to Recommendation 3: Agree and implemented.

Since the Auditor-Controller's review, ACWM has developed a new Voyager Card Monthly Report form. The new form is now the standard form required to be used by all employees. Executive management has directed staff to discard all previous versions of the form.

Recommendation 4: Require card users' supervisors to review and approve (i.e., sign and date) Monthly Vehicle Reports to ensure the reports are accurate and complete, and that all purchases are appropriate and supported with receipts before Voyager bills are submitted for payment processing.

ACWM Response to Recommendation 4: Agree and implemented.

ACWM managers have been reminded of the approval process and the updated report form provides space for signatures and approval dates.

Recommendation 5: Either require card users' supervisors to reconcile monthly Voyager billing statements to Monthly Vehicle Reports and receipts and approve the Voyager bills, or require administrative staff to properly document their review and only approve the bills if card users' supervisors have signed the associated Monthly Vehicle Reports and the bills agree with the Monthly Vehicle Reports and receipts.

ACWM Response to Recommendation 5: Agree and not implemented.

ACWM management is working to develop the most efficient reconciliation [process that works for both program managers/supervisors and Budget and Fiscal staff.

Recommendation 6: Develop a documented method for administrative staff to notify Budget and Fiscal Services Section whether the Voyager bills have been reviewed and should be approved for payment.

ACWM Response to Recommendation 6: Agree and not implemented.

ACWM's Budget and Fiscal manager is working to develop an appropriate method for administrative staff to notify Budget and Fiscal Services Section whether the Voyager bills have been reviewed and should be approved for payment.

Same-Day Transactions

Recommendation 7: Agricultural Commissioner/Weights & Measures management ensure all Voyager card purchases are supported by original receipts and Monthly Vehicle Reports, and that Monthly Vehicle Reports identify the vehicle number of the vehicle being fueled.

ACWM Response to Recommendation 7: Agree and implemented.

ACWM executive management has reinforced with managers the importance that all Voyager card purchases are supported by original receipts and Monthly Vehicle Reports, and that Monthly Vehicle Reports identify the vehicle number of the vehicle being fueled. In addition, at the time of issuance of the new Voyager cards refresher training is being provided to staff to ensure proper documentation is being prepared while using the Voyager cards.

Voyager Card Inventory

Recommendation 8: Work with Voyager to cancel the Department's Voyager cards and re-issue them to individual employees who will be responsible for maintaining security over the cards and ensuring the cards are being used appropriately.

ACWM Response to Recommendation 8: Agree and partially implemented.

ACWM has canceled all Voyager cards effective June 30, 2016 and is currently in the process of issuing new cards assigned to each individual employee. Distribution will be completed by July 1, 2016.

Recommendation 9: Assign Voyager cards that will be used to purchase fuel for pool vehicles to the individual responsible for the vehicles in the pool, which will also be responsible for maintaining security over the cards and ensuring the cards are being used appropriately.

ACWM Response to Recommendation 9: Agree and partially implemented.

ACWM has identified staff in the Administrative Services Bureau that will maintain security over the Voyager cards for pool vehicles. The Department is in the process of issuing new Voyager cards and will issue Voyager cards for pool vehicles by July 1st, 2016.

Recommendation 10: Ensure employees sign a cardholder agreement acknowledging they have read and will comply with Voyager card policies and procedures before operating a County vehicle.

ACWM Response to Recommendation 10: Agree and partially implemented.

ACWM is currently in the process of issuing new cards assigned to each individual employee. Every employee must sign a cardholder agreement before receiving their card and operating a County vehicle. Administrative staff has also reminded supervisors that all staff assigned a Voyager card must sign acknowledgement before they are issued their card and/or drive a County vehicle.

Inventory Listing

Recommendation 11: Conduct annual reviews to determine if Voyager cards are still needed.

ACWM Response to Recommendation 11: Agree and not implemented.

Effective FY 2016-17, ACWM will conduct annual audits to determine the need for Voyager cards throughout the Department.

Recommendation 12: Require staff to maintain documentation of Voyager card cancellation requests submitted to Voyager and verify cancellation requests have been processed.

ACWM Response to Recommendation 12: Agree and partially implemented.

ACWM Budget and Fiscal division now retains cancellation documentation for all Voyager cards. Management has identified appropriate staff to verify card cancellations are being performed appropriately.

Recommendation 13: Ensure the Department's Voyager card inventory records are updated timely.

ACWM Response to Recommendation 13: Agree and implemented.

ACWM management has instructed Budget and Fiscal staff to update Voyager card inventory records as changes occur.

Recommendation 14: Ensure Voyager cards are immediately canceled when they are no longer needed.

ACWM Response to Recommendation 14: Agree and implemented.

ACWM management has instructed managers and supervisors to notify Budget and Fiscal division immediately when a Voyager card is no longer needed. Budget and Fiscal Services staff will cancel Voyager cards upon notification.

Recommendation 15: Require staff to use spare Voyager cards to purchase fuel for new or loaner vehicles.

ACWM Response to Recommendation 15: Agree and implemented.

ACWM has implemented the Auditor-Controller's recommendation and now assigns Voyager cards to the employee. ACWM staff will always have a fuel card accessible when using a new or loaner vehicle. Should a scenario arise that an employee does not have a Voyager card assigned to them there are spare Voyager cards available in the Budget and Fiscal division.

Voyager Card Security

Recommendation 16: Ensure Voyager cards are adequately secured at all times.

ACWM Response to Recommendation 16: Agree and implemented.

ACWM has implemented the Auditor-Controller's recommendation and now assigns Voyager cards to the employee. This will eliminate excess cards at the field locations. ACWM purchased lock boxes for the pool vehicle Voyager cards and for the spare Voyager cards kept in the Budget and Fiscal division safe.

Recommendation 17: Assign a unique Personal Identification Number (PIN) for each Voyager card.

ACWM Response to Recommendation 17: Agree and implemented.

Now that Voyager cards are assigned to the employee each card has a unique PIN.

Voyager Card Sign-Out Logs

Recommendation 18: Agricultural Commissioner/Weights & Measures management require staff to use sign-out logs for pool vehicles and the associated Voyager cards, and include a method for recording receipt of a Voyager card.

ACWM Response to Recommendation 18: Agree and implemented.

All pool vehicles and the associated Voyager cards must be checked out from the Administrative Services Bureau staff. Upon the close of the trip keys, Voyager card and associated receipts must be submitted to the Administrative Services Bureau staff. The Administrative secretary will handle the tracking and recording of receipts.

Spare Voyager Cards

Recommendation 19: Ensure access to spare Voyager cards is limited to individuals who have responsibilities for issuing the spare cards.

ACWM Response to Recommendation 19: Agree and Implemented.

ACWM has reduced employee access to spare Voyager cards. ACWM spare Voyager cards are only stored in the Administrative Services Bureau.

Recommendation 20: Ensure that requests and approvals for the use of spare Voyager cards are documented.

ACWM Response to Recommendation 20: Agree and implemented.

Since the Auditor-Controller's review, all requests for spare Voyager cards are only accepted by the Budget and Fiscal staff via e-mail or memo format for documentation purposes.

Recommendation 21: Revise sign-out logs to include the employee number and/or printed name of the employee picking up the spare card, and require staff using spare Voyager cards to sign for the cards or develop a method for recording receipt of spare cards by the actual card user.

ACWM Response to Recommendation 21: Agree and Implemented.

Now that we have changed the process and assigned Voyager cards to the employee there are no spare Voyager cards out in the field and a sign-out log is not needed. Budget and Fiscal staff record requests and usage of spare cards housed in the Administrative Services Bureau.

Recommendation 22: Agricultural Commissioner/Weights and Measures managements separate the duties of ordering and receiving voyager cards.

ACWM Response to Recommendation 22: Agreed and implemented.

Since the Auditor-Controller's review, ACWM has separated the duties of ordering and receiving Voyager cards.

Recommendation 23: Work with County Counsel to determine the amount of past due fuel excise taxes owed for employees' personal use of County vehicles, and remit these amounts to the Internal Revenue Service.

ACWM Response to Recommendation 23: Agreed and not implemented.

ACWM will work with County Counsel to determine the amount of past due fuel excise taxes owed for employees' personal use of County vehicles, and remit these amounts to the Internal Revenue Service.

Recommendation 24: Ensure that future fuel excise taxes are paid for the portion of fuel used by employees for personal use.

ACWM Response to Recommendation 24: Agreed and not implemented.

ACWM will ensure appropriate fuel excise taxes are paid timely. ACWM will seek guidance from the Auditor-Controller on the remittance process to the IRS.

Recommendation 25: Ensure that all personal use of County vehicles is reported to the Auditor-Controller's Countywide Payroll Division, as required.

ACWM Response to Recommendation 25: Agreed and implemented.

Since the Auditor-Controller's visit, ACWM has ensured that that all personal use of County vehicles is reported to the Auditor-Controller's Countywide Payroll Division, as required.